FILED
MAY 31 1946
CHARLES ELMORE CROPLEY
CLERK

Supreme Court of the United States

OCTOBER TERM—1945

No. 1092

METALLIZING ENGINEERING CO. INC.,
Petitioner,

—against—

KENYON BEARING & AUTO PARTS CO. INC., *et al.*,
Respondents.

RESPONDENTS' BRIEF OPPOSING PETITION FOR REHEARING

MORRIS KIRSCHSTEIN,
Counsel for Respondents.

Supreme Court of the United States

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RESPONDENTS' BRIEF OPPOSING PETITION FOR REHEARING

No point is presented in this petition for rehearing which was not fully discussed and presented to this Court in the briefs and the Petition for Writ of Certiorari.

No new fact or circumstance has arisen or is presented in the Petition for Rehearing.

The claim of impossibility of obtaining a conflicting decision in another Circuit is fully met in the accompanying answering affidavit. The pending suit in the Sixth Circuit referred to in such affidavit is against a user of the Meduna process who purchased an unpatented transformer from the Metallizing Company of America for practicing the process. The privity between Metallizing Company of America and the Aberdeen Motor Supply Co., its customer, defendant in said suit, will not preclude a new decision on the merits and the Sixth Circuit Court of Appeals will be free to agree or disagree with the decision of the Second Circuit Court of Appeals in regard to the invalidity of the Meduna patent.

Also the claim of conflict between the decision of the Second Circuit Court of Appeals herein with *Stresau* v. *Ipsen*, 77 Fed. (2d) 937 is without foundation. The quotation from that case appearing at page 15 of the Petition for Rehearing should be read in connection with the language on page 945 of the report of that case where Associate Judge Garrett points out that:

> "In the case at bar, while there was a period of about 2½ years between the reduction to practice of the Stresau method and the filing of the Stresau application, *the continuous use of it as standard practice was for less than 2 years of that period,* * * *" (Italics supplied).

CONCLUSION

We cannot assume with petitioner that the Court overlooked the very points that are again being made now, and which were presented fully on the Petition for the Writ of Certiorari.

The present petition should clearly be denied.

Respectfully submitted,

MORRIS KIRSCHSTEIN,
Counsel for Respondents.

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Respondents' Answering Affidavit

STATE OF NEW YORK,
COUNTY OF NEW YORK, *ss.*:

MORRIS KIRSCHSTEIN, being duly sworn, deposes and says:

1. I am of counsel for the respondents herein. I am also the attorney for the Metallizing Company of America referred to in the affidavit of Rea A. Axline verified May 28, 1946 accompanying the Petition for Rehearing.

2. The Metallizing Company of America concededly manufactures metallizing equipment, including an unpatented electrical transformer which is used in the practice of the process of the Meduna reissue patent which was held invalid by the Circuit Court of Appeals for the Second Circuit and infringement whereof was charged in this suit. The

respondents herein purchased such a transformer from said Metallizing Company of America. The Metallizing Company of America concededly does not, except in connection with demonstrating and explaining the use of its unpatented transformer, use the process of the Meduna patent. In the suit brought by the petitioner herein against the Metallizing Company of America for infringement of said Meduna patent in the United States District Court for the Southern District of New York, said Rea A. Axline made an affidavit verified the 12 day of June 1945 in support of the motion for preliminary injunction, in which he stated as follows:

> "In or about May, 1943, the defendant Metallizing Company of America began offering for sale and at all times subsequent thereto has been engaged in the sale of an electrical transformer adapted to generate electrical current of the kind and type required in the practice of the process described and claimed in the said patent and the said reissue patent."

3. Another suit for infringement of the Meduna patent was brought by the petitioner, Metallizing Engineering Company, Inc. against another customer of the Metallizing Company of America, to wit, the Aberdeen Motor Supply Co. Inc. of Cleveland, Ohio, who also purchased an electrical transformer from said Metallizing Company of America

and therewith practiced the process of the Meduna patent. Said suit is now pending and is entitled:

IN THE

DISTRICT COURT OF THE UNITED STATES

FOR THE NORTHERN DISTRICT OF OHIO

EASTERN DIVISION

Civil Action No. 21875

METALLIZING ENGINEERING CO. INC.,

Plaintiff,

—against—

ABERDEEN MOTOR SUPPLY CO. INC., WILLIAM BURRER, EMMA BURRER, CHARLES E. CARR and GLADYS CARR,

Defendants.

The trial of the Cleveland suit has been adjourned from time to time and when it last appeared upon the Trial Calendar of that Court, was stipulated off that Trial Calendar pending the final outcome of this present suit. I have been informed by Ray Stewart Gehr, the attorney of record in such suit, that it may again come up for trial in June, 1946.

4. The depositions taken in the instant case with reference to the public use of the process by the patentee Meduna were, by stipulation of counsel, filed for use in the Cleveland suit above mentioned.

MORRIS KIRSCHSTEIN

Sworn to before me this
29th day of May, 1946.

LILLIAN BISGAIER
Notary Public, New York County
N. Y. Co. Clk's No. 189, Reg. No. 554-B-7
Commission Expires March 30, 1947

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REPLY TO RESPONDENTS' OPPOSITION TO PETITION FOR REHEARING

WILLIAM H. DAVIS
LOUIS BURGESS

Supreme Court of the United States

OCTOBER TERM 1945

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REPLY TO RESPONDENTS' OPPOSITION TO PETITION FOR REHEARING

Respondents contend (brief in opposition to petition for the rehearing, p. 1) that the decision below in this case is not conclusive of the entire controversy because another case against the Aberdeen Supply Co. involving the same patent is pending in the District Court for the Northern District of Ohio. In that case, as in this, the defendant purchased equipment from the Metallizing Company of America for use in practicing the process of the patent in suit on representation of the Metallizing Co. that they were free to use the process. The decision in the present case is binding between petitioner and the Metallizing Company and will estop petitioner in its other action against Metallizing in which petitioner is seeking to enjoin Metallizing from its practice of inducing use of the process.

Under the decision below, the Metallizing Company is therefore assured of its freedom to sell equipment for use in the process of the patent in suit and to continue its prac-

tice of inducing purchasers of its equipment to practice petitioner's process, which indeed is the reason they buy the equipment.

If petitioner were free under the judgment below to sue customers of the Metallizing Company at will, the freedom of Metallizing to continue its practices in the sale of equipment for use in the process would be largely nullified. The case of *Kessler* v. *Eldred,* 206 U. S. 285, extended to a manufacturer relief against such indirect nullification of a judgment in his favor. The statement in the petition for rehearing that the present case would dispose of the entire controversy was based on that decision. Respondents deny the conclusive effect of the judgment but fail to explain why the protection afforded manufacturers by the *Kessler* v. *Eldred* case should not apply here.

But even if respondents were right, and if petitioner could proceed with suits against customers of the Metallizing Company, that would be one more reason why this Court should take the case now. The only course left open to petitioner would be to sue the users of the process who buy from Metallizing the equipment they use in the process. Those users are small scale operators. As usual, enforcement of a patent against individual users at the consumer level is likely to lead to a multiplicity of suits, as noted in *Kessler v. Eldred, ante.* Such a course on the part of a patent owner is now generally considered to be reprehensible. Its evil would be very real here since the small users are not in a position to afford the expense of an infringement suit and in most cases would be forced to take consent decrees. Yet on respondents' proposition now advanced, that would be the only course open to petitioner by which to seek a contrary decision in another circuit. It is improbable that any such small user would carry the contest to a court of appeals, so the probability of attaining a conflict on this patent is remote indeed, and the available route to that end is an unattractive one contrary to the public interest.

We submit therefore both that respondents fail to meet this point of the petition and that even if they are correct as to petitioner's freedom to sue elsewhere, the circumstances that would attend the exercise of that asserted (but dubious) freedom are such that this Court should not let them occur but should determine the matter in the present case.

Respectfully submitted,

WILLIAM H. DAVIS,
LOUIS BURGESS.

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JUN 7 1946
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CLERK

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RESPONDENTS' REJOINDER TO PETITIONER'S REPLY ON PETITION FOR REHEARING

MORRIS KIRSCHSTEIN,
Counsel for Respondents.

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RESPONDENTS' REJOINDER TO PETITIONER'S REPLY ON PETITION FOR REHEARING

Petitioner's reply now shifts the whole weight of the petition to the matter of the claimed privity between Metallizing Company of America and its customers.

Respondents' replied to this point without reference to *Kessler* v. *Eldred* because that decision is clearly inapplicable here, as will be presently pointed out. However, it may be well at the outset to remind this Court that essentially the decision herein by the Circuit Court of Appeals for the Second Circuit has reiterated the law of public use as established by this Court, namely, that use of the invention competitively, that is for profit, for more than the statutory period bars the patent. (See cases cited in Respondents' brief in opposition to the petition for the writ of certiorari, Point II, p. 4.)

Coming now to *Kessler* v. *Eldred*, it is only too clear that that decision does not apply. In *Kessler* v. *Eldred* the patent was for an article—a cigar lighter—and not for a process in which only unpatented apparatus is used. Eldred, the owner of the patent, brought a suit against Kessler alleging that Kessler manufactured cigar lighters in infringement of Eldred's patent. That suit was finally decided in favor of Kessler. Thereafter, Eldred filed another suit for infringement of the same patent against Breitwieser, a customer of Kessler, by reason of Breitwieser's use of the very same cigar lighter which had been passed on in the previous case and had been held free from infringement. Kessler assumed the defense of that suit against his customer and subsequently filed a bill against Eldred to enjoin Eldred from prosecuting any suit against anyone for alleged infringement of the patent by purchase, use or sale of an electric cigar lighter manufactured by Kessler and identical with the lighter which had been adjudicated to be free from infringement in the suit previously brought by Kessler against Eldred.

This Court had certified to it four questions set forth at 206 U. S. 287. It held that the decree in Kessler's favor entitled Kessler to continue the business of manufacturing and selling his cigar lighters without molestation by Eldred through the patent he owned. This was the Court's answer to the first question. This Court also answered the second question in the affirmative, namely that that decree had the effect of making a suit by Eldred against another customer of Kessler for alleged infringement of the patent by use or sale of Kessler's lighters a wrongful interference with Kessler's business.

In *Kessler* v. *Eldred* this Court did not pass upon the issue whether the judgment between Kessler and Eldred was a bar to the suit Eldred brought against Breitwieser. This Court said:

"Whether the judgment between Kessler and Eldred is a bar to the suit of Eldred v. Breitwieser, either because Breitwieser was a privy to the original judgment, or because the articles themselves were, by that judgment, freed from the control of that patent, we deem it unnecessary to inquire. We need not stop to consider whether the judgment in the case of Eldred v. Kessler had any other effect than to fix unalterably the rights and duties of the immediate parties to it, for the reason that only the rights and duties of those parties are necessarily in question here. *It may be that the judgment in Eldred* v. *Kessler will not afford Breitwieser, a customer of Kessler, a defense to Eldred's suit against him. Upon that question we express no opinion.* Neither it nor the case in which it is raised are before us. But the question here is whether, by bringing a suit against one of Kessler's customers, Eldred has violated the right of Kessler (pp. 288-289). (Italics supplied.)

Thus for *Kessler* v. *Eldred* to apply, there first must have been a judgment in favor of the manufacturer and then a suit brought by the manufacturer against the patent owner to prevent *further* suits against customers of the manufacturer.

In the case at bar there has not been any judgment of any kind in favor of Metallizing Company of America, and the Ohio suit against the Aberdeen Motor Supply Co. was already pending prior to the decision herein by the Second Circuit Court of Appeals. All that has happened here is that the Metallizing Company of America has defended the present suit by reason of the fact that the Respondents herein purchased from it an unpatented transformer which the Respondents have used in carrying out the *process* of the patent.

The final judgment in this case merely has decided that the Respondents (not the Metallizing Company of America) are free to use the process by reason of the fact that the inventor had made public use thereof for more than one year prior to his application. That holding is wholly independent of whether the Respondents had used a transformer made by the Metallizing Company of America or one constructed by themselves, or one made by any other of the large number of manufacturers of electrical apparatus in this country.

The decision herein does not hold that any one who uses the transformer of the Metallizing Company of America is free from the patent. It does hold that the patent is invalid by reason of the inventor's own public use and that the process can, therefore, be used by the public freely *no matter whose or what transformer is employed.* The right of the defendants in the pending Ohio suit does not depend in any way upon whether they have used the process with a transformer of the Metallizing Company of America or with any one else's transformer.

The issue of whether this Petitioner can continue to harass and annoy and sue for infringement the customers of the Metallizing Company of America, who sell an unpatented transformer, has not been raised. It is only such an issue that was decided by the Court in *Kessler* v. *Eldred.*

When and if that issue is presented as between Metallizing Company of America and Petitioner, it will, however, differ in one important respect from *Kessler* v. *Eldred,* namely, that Petitioner here in addition is attempting by a process patent not only to control but to destroy the business of the Metallizing Company of America in connection with the manufacture and sale of an unpatented piece of apparatus, an ordinary electrical transformer.

Respectfully submitted,

MORRIS KIRSCHSTEIN,
Counsel for Respondents.